



COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

Members of the Board

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Pastor Herrera, Jr.
Director

"To Enrich Lives Through Effective and Caring Service"

March 7, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AND ADOPT A RESOLUTION AUTHORIZING THE
EXECUTION OF AN AGREEMENT CONSENTING TO A CHANGE OF
CONTROL OF SEVEN CABLE TELEVISION FRANCHISES FROM
CENTURY-TCI, CALIFORNIA, L.P. TO WHOLLY-OWNED
SUBSIDIARIES OF COMCAST CORPORATION (TRANSACTION #1)**

(1, 3, 4, 5 DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and adopt a Resolution consenting to the change of control of the cable television franchises in the unincorporated areas of: Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey/Franklin Canyon, Rowland Heights, and South Whittier.
2. Approve and authorize the Director of the Department of Consumer Affairs ("Director") to execute a "Change of Control Agreement", attached hereto in substantially final form.
3. Find this action adopting the Resolution and approving and authorizing execution of the Change of Control Agreement categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e), of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION

On September 14, 1999, the Board of Supervisors ("Board") requested that the Director notify it of cable transfer applications received so that the Board can approve or reject them. This action is in accordance with that directive.

Adelphia Communications Corporation ("Adelphia") and Comcast Corporation ("Comcast") have entered into an Asset Purchase Agreement whereby Comcast intends to purchase Century-TCI California, L.P., which includes 7 of the County's 13 Adelphia cable franchises. Comcast then intends to assign these franchises to a newly formed, wholly-owned Comcast subsidiary called CAC Exchange I, LLC ("CAC"). Comcast and Time Warner Cable, Inc. ("Time Warner") have entered into a separate agreement in which Comcast intends to assign the County's 5 Comcast franchises to another newly formed, wholly-owned Comcast subsidiary called C-Native Exchange, LLC ("CNE"). Once these transactions occur, Comcast will transfer ownership and control of CAC and CNE, and the 12 County franchises held by these two entities, to Time Warner. In a separate transaction, the remaining 6 of the County's 13 Adelphia franchises will be transferred directly to Time Warner. The Department of Consumer Affairs ("DCA") has filed three concurrent Board letters ("Transaction #1," "Transaction #2," and "Transaction #3"), which together describe these transactions.

Outstanding issues must either be resolved, or mutual written agreement reached, by all parties prior to the execution of the Change of Control Agreement. Failure to reach resolution or mutual written agreement as specified in the attached documents could lead to the County's loss of remedies for outstanding issues.

The DCA has reviewed the transactions, determined their impact on the County, and resolved all outstanding compliance issues. Therefore, DCA recommends adoption of the attached Resolution and approval of the attached Change of Control Agreement.

Implementation of the Strategic Plan Goals

Approval of this recommendation will assist in implementing the Countywide Strategic Plan goal of fiscal responsibility. This will ensure the continuation of revenue provided to the County by statute.

FISCAL IMPACT/FINANCING

There will be no cost to the County. These cable television franchises will continue to generate revenue to the County. Section 622 (b) of the Cable Act of 1984, 47 U.S.C. §542 (b), gives the County the right to collect five percent (5%) franchise fees of the total gross revenues collected by a cable television franchisee over a 12-month period.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 17, 2005, the DCA informed your Board that Time Warner submitted applications requesting the approval of a change of control of the franchises held by both Adelphia and Comcast and/or their subsidiaries and affiliates. The intent of the applications is to ultimately transfer the ownership and control of all the franchises held by Adelphia and Comcast to Time Warner. There are a total of 7 cable television franchises involved in the transaction represented in the attached Change of Control Agreement.

The transaction identified in the attached Change of Control Agreement completes the transfer from Century-TCI to Comcast for the following 7 franchises: Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey/Franklin Canyon, Rowland Heights, and South Whittier. It was necessary to construct two separate Change of Control Agreements to protect the County should either transaction fail to result in closure. Transaction #1 is described herein, and Transaction #2 is described more fully in the Transaction #2 Board letter.

The transaction between Comcast and Time Warner (Transaction #2) should close contemporaneously with this transaction (Transaction #1) between Century-TCI and Comcast. However, Comcast acknowledges the possibility of a delay in the closing of the Comcast and Time Warner transaction, which could result in Comcast owning and operating the Century-TCI franchises for an unspecified time period. As a result, Comcast agrees to accept control of the Century-TCI franchises, acknowledges, and agrees that all the commitments, duties, and obligations of Century-TCI franchises, the County Code, and the provisions of the "Change of Control Agreement" bind Comcast.

Approval of the Change of Control Agreement authorizes the change of control of the cable television franchises as specified in County Code §16.60.170 and 47 U.S.C. §537. Pursuant to Los Angeles County Code Section 16.60.170, a franchisee shall inform the Director of any pending sale, transfer or change of control of the franchises.

In addition to the DCA's due diligence review, DCA requested that the Auditor-Controller, Audit Division, review the financial condition of Time Warner. The Auditor-Controller reported Time Warner's financial condition to be "fair" and did not object to the change of control. Further, DCA requested the Department of Public Works to determine if they had any objections to the change of control and they raised no opposition.

The Change of Control Agreement requires Time Warner to comply with all terms and conditions of the cable television franchises, the County Code, and the provisions of the agreement itself. County Counsel has reviewed the attached documents and has approved them as to form.

ENVIRONMENTAL DOCUMENTATION

Your Board's adoption of the Resolution and approval and authorization of the Change of Control Agreement are categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

Honorable Board of Supervisors

March 7, 2006

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services. Time Warner will continue to provide cable television service to the residents of the unincorporated areas and all franchise provisions will remain in effect.

CONCLUSION

It is requested that the Executive Office-Clerk of the Board notify Thomas E. Carlock, Regional Vice President of Law and Public Policy, Adelphia Communications Corporation, 3100 Ocean Park Blvd., Suite 300, Santa Monica, CA 90404, Perry C. Parks, III, Vice President, Governments Affairs, Comcast Cable Communications, Inc., 550 N. Continental Blvd., Suite 250, El Segundo, CA 90245, Chief Administrative Officer, Auditor-Controller, County Counsel, Department of Public Works, and Department of Consumer Affairs of the Board's action in this matter.

Respectfully submitted,

Pastor Herrera, Jr.
Director

Enclosure: Change of Control Agreement

c: Executive Officer, Board of Supervisors
Thomas E. Carlock, Adelphia
Perry Parks, III, Comcast
Chief Administrative Officer
Auditor-Controller
County Counsel
Department of Public Works

**CHANGE OF CONTROL AGREEMENT
CENTURY-TCI to COMCAST**

**AGOURA, GLENDORA, HACIENDA HEIGHTS, LA HABRA HEIGHTS, MARINA
DEL REY, ROWLAND HEIGHTS, and SOUTH WHITTIER FRANCHISES**

THIS CHANGE OF CONTROL AGREEMENT ("Agreement") is made this ____ day of March, 2006, by and between:

1. The County of Los Angeles, California (the "County");
2. Century-TCI California, L.P, a Delaware Limited Partnership ("Century-TCI");
3. Comcast Cable Holdings, LLC ("CCH"), a Delaware Limited Liability Company;
4. CAC Exchange I, LLC ("CAC"), a Delaware Limited Liability Company; and

RECITALS

A. The County grants and regulates cable television franchises pursuant to the provisions of Title 16, Division 4 of the Los Angeles County Code, as may be amended from time to time (the "County Code").

B. Century-TCI, which is jointly owned by Century-TCI California Communications, L.P. and Century-TCI Holdings, LLC, and affiliated with Adelphia Communications Corporation ("Adelphia"), owns, operates and maintains a cable television system in the unincorporated Agoura areas of the of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 90-0150F, as amended (the "Agoura Franchise").

C. Century-TCI owns, operates and maintains a cable television system in the unincorporated Glendora areas of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 89-0146, as amended (the "Glendora Franchise").

D. Century-TCI owns, operates and maintains a cable television system in the unincorporated Hacienda Heights areas of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 82-0017F, as amended (the “Hacienda Heights Franchise”).

E. Century-TCI owns, operates and maintains a cable television system in the unincorporated La Habra Heights areas of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 86-0113F, as amended (the “La Habra Heights Franchise”).

F. Century-TCI owns, operates and maintains a cable television system in the unincorporated Marina del Rey (including Franklin Canyon) areas of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 83-0205F, as amended (the “Marina del Rey Franchise”).

G. Century-TCI owns, operates and maintains a cable television system in the unincorporated Rowland Heights areas of the County, and is providing services in those areas under the terms and conditions of a County franchise granted by Ordinance No. 97-0046F, as amended (the “Rowland Heights Franchise”).

H. Century-TCI owns, operates and maintains a cable television system in the unincorporated South Whittier area of the County, and is providing services in that area under the terms and conditions of a County franchise granted by Ordinance No. 83-0087F, as amended (the “South Whittier Franchise”). (The Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises are hereinafter sometimes collectively referred to as the “Century-TCI Franchises”).

I. Adelphia has a petition in bankruptcy pending in the United States Bankruptcy Court, Southern District of New York, No. 02-41729 (REG), and is restructuring and transferring

assets subject to the jurisdiction of that bankruptcy court.

J. Adelphia and Comcast have entered into that certain “Asset Purchase Agreement” dated April 20, 2005 (the “Purchase Agreement”), pursuant to which Comcast will purchase, *inter alia*, Adelphia’s joint venture interest in Century-TCI (Century-TCI’s assets include the Century-TCI Franchises) (“Proposed Transaction”).

K. Comcast and Time Warner Cable Inc. (“Time Warner Cable”) and other parties named therein, have entered into that certain “Exchange Agreement” dated April 20, 2005 (the “Exchange Agreement”), pursuant to which Comcast will cause Century-TCI to assign its assets, including the Century-TCI Franchises to CAC Exchange I, LLC (“CAC”), which will become a wholly-owned subsidiary of Century-TCI, and thereafter transfer 100% of the outstanding equity securities of CAC to Time Warner Cable (the “Exchange Transaction”).

L. On June 14, 2005, Time Warner Cable submitted to the County on behalf of Century-TCI, Adelphia, Comcast, and CCH, materials including Federal Communications Commission (“FCC”) Forms 394 dated June 10, 2005, requesting that the County approve the transaction transferring control of Century-TCI from Adelphia to CCH (the “Century Change of Control Applications”).

M. In the materials filed with the County on June 14, 2005, Comcast represented that an internal transaction would result in the assignment of the assets of Century-TCI, including the Century-TCI Franchises, from Century-TCI to CAC, but that this internal assignment would only occur immediately prior to, and for the sole purpose of, consummating the Exchange Transaction.

N. On June 14, 2005, Time Warner Cable also submitted to the County on behalf of Century-TCI, Time Warner Cable, Comcast, and CAC, materials including FCC Forms 394 dated June 10, 2005 requesting that the County approve the transaction transferring 100%

ownership and control of CAC (whose assets will at this point include the Century-TCI Franchises) from Century-TCI to Time Warner Cable (the “Comcast -Time Warner Change of Control Applications”).

O. The Proposed Transaction will result in a transfer of control of Century-TCI which is subject to the County’s approval under the terms and conditions of the Century-TCI Franchises and the County Code.

P. Comcast has represented that the Exchange Transaction should close contemporaneous with the Proposed Transaction, but acknowledges the possibility of a delay in the closing of the Exchange Transaction which could result in Comcast owning and controlling Century-TCI for a significant period.

Q. Time Warner Cable has agreed to unconditionally guarantee the performance of CAC under the Century-TCI Franchises and the County Code.

R. CCH agrees to unconditionally guarantee the performance of Century-TCI under the Century-TCI Franchises and the County Code if the Exchange Transaction does not close contemporaneously with the Proposed Transaction and only until such time as the Exchange Transaction closes and Time Warner Cable becomes the guarantor.

S. The County, Adelphia, Century-TCI, and other affiliates of Adelphia have agreed to enter into a separate settlement and release agreement (the “Adelphia Settlement Agreement”), which will resolve to the satisfaction of the County certain claims by the County arising from the performance by Century-TCI under the Century-TCI Franchises.

T. The County and Comcast have agreed to settle certain claims arising from the performances of the Comcast Subsidiaries under the Comcast Documents.

U. The County Board of Supervisors will adopt a Resolution approving the Century Change of Control Applications, subject to certain conditions, in the form attached hereto as

Exhibit A (“Transfer Resolution”), one of which is the execution and full performance of this Change of Control Agreement by Comcast, CAC, CCH, Adelphia, and Century-TCI (hereinafter sometimes collectively referred to as the “Companies”).

NOW, THEREFORE, in consideration of the mutual covenants, agreements, promises and undertakings contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the County and the Companies do hereby agree as follows:

1. TRANSFER OF FRANCHISE

1.1 The County, upon adoption of the Transfer Resolution by the Board of Supervisors, and the satisfaction by the Companies of all conditions established the Transfer Resolution, consents to the transfer of the ownership and control of Century-TCI (and as a result the Century-TCI Franchises) from Adelphia to CCH, with CCH being wholly owned by Comcast, as specifically described in the Century Change of Control Application. Upon the closing of the Proposed Transaction (“Closing”), CCH will have all of Adelphia’s existing rights and obligations under the Century-TCI Franchises, and each of them, and the County Code.

1.2 The County reserves all rights and powers not contrary to the terms of this Agreement, including but not limited to, and without limitation, the following:

1.2.1 Neither this Agreement, the County’s consent to the transfer of the ownership and control of the Franchises, nor any other action or omission by the County at or before the execution of this Agreement, shall be construed (i) to constitute the County’s consent to any future assignment, transfer, change of ownership, or change in control of Century-TCI, the Century-TCI Franchises, or any of them, or any future assignment, transfer, change of ownership, or change in control of the cable systems providing services in the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina

del Rey, Rowland Heights, and South Whittier unincorporated areas of the County; or (ii) to mean that the County's consent to any future transaction is not required in accordance with the terms of the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises, and each of them, and the County Code. Likewise, the County's consent to the transfer of the ownership and control of the Century-TCI Franchises shall not expand any rights beyond those contained in ordinances granting the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises.

1.2.2 Any consent given by the County to the Proposed Transaction is made without prejudice to, or waiver of, the County's right to fully investigate and consider the financial, technical, and legal qualifications and other relevant facts related to CCH, and/or persons or entities owning or controlling or proposing to own or control CCH or the Century-TCI Franchises, or any of them, during any future franchise renewal or transfer process.

1.2.3 Neither the Proposed Transaction nor this Agreement waives or affects any right with respect to the County's ability at the time of renewal of the Century-TCI Franchises to consider or raise claims based on defaults, failure to provide reasonable service in light of the community's needs, or failure to comply with the terms, conditions and provisions of the Century-TCI Franchises, and each of them, the County Code, and applicable law.

1.2.4 The County's approval of the Exchange Transaction will in no way be deemed to be an admission that Century-TCI is presently in compliance with all of its obligations under this Agreement, the Century-TCI Franchises, and each of them, and the County Code.

1.2.5 This Agreement does not waive or affect any County right with respect to Century-TCI or its successors' future compliance with the terms, conditions, provisions, requirements and other obligations set forth in the Century-TCI Franchises, and each of them, and the County Code, including the County's right to regulate and to compel Century-TCI and its successors to comply with same.

2. ACCEPTANCE OF FRANCHISE OBLIGATIONS & GUARANTEE

2.1 From and after the Closing, CCH accepts control of the entity holding the Agoura Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the Agoura Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.2 From and after the Closing, CCH accepts control of the entity holding the Glendora Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the Glendora Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations

2.3 From and after the Closing, CCH accepts control of the entity holding the Hacienda Heights Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the Hacienda Heights Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.4 From and after the Closing, CCH accepts control of the entity holding the La Habra Heights Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the La Habra Heights Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.5 From and after the Closing, CCH accepts control of the entity holding the Marina del Rey Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the Marina del Rey Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.6 From and after the Closing, CCH accepts control of the entity holding the Rowland Heights Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the Rowland Heights Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.7. From and after the Closing, CCH accepts control of the entity holding the South Whittier Franchise and accepts, acknowledges, and agrees that: (i) Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future, of the South Whittier Franchise, the County Code, and all other all applicable and lawful County ordinances, rules and regulations, as amended; and (ii) that the Proposed Transaction will have no effect on these obligations.

2.8 No later than March 7, 2006, CCH shall execute and submit to the County an Acceptance of Franchise (“Acceptance”) in the form attached hereto as Exhibit B.

2.9 CCH agrees to assume responsibility and be liable for any acts and omissions, under the Century-TCI Franchises, and each of them, and the County Code, for all purposes, except for such acts and omissions that have been expressly released by the County in the Adelphia Settlement Agreement. Notwithstanding the above, while CCH will be required to cure any existing or future defaults, whether known or unknown, it shall not be liable for any monetary damages, including liquidated damages, for any defaults that existed as of the closing of the Proposed Transaction. Nothing in this Section 2.9 shall be construed to prevent the County from exercising any remedies that may be available under the Century-TCI Franchises, or any of them, or the County Code, including imposing applicable monetary damages, including liquidated damages from and after the closing of the Proposed Transaction, on CCH for the failure of CCH to cure defaults where CCH has been provided notice and opportunity to cure the default and had failed to do so.

2.10 The Companies acknowledge and agree that, by entering into this Agreement, the County reserves all of its rights with respect to the future compliance by Century-TCI and CAC with the terms, conditions, requirements and obligations set forth in the Century-TCI Franchises, and each of them, and the County Code, from and after the Closing. No delay or failure to enforce any provision of the Century-TCI Franchises, or any of them, will operate against the County or the Companies as an estoppel or waiver.

2.11 Nothing in this Agreement amends or alters the Century-TCI franchises, or any of them, or any requirements therein in any way, except as set forth herein.

2.12 CCH agrees to provide a parent company Guarantee of Performance (“Guarantee”), acceptable to the County, assuring compliance by Century-TCI with all the

obligations of the Century-TCI Franchises, and each of them, and the County Code, from and after the Closing. No later than March 7, 2006, CCH shall execute and submit to the County the Guarantee in the form attached hereto as Exhibit C.

3. EFFECT ON FRANCHISE REQUIREMENTS

3.1 Except as expressly provided to the contrary, nothing in this Agreement diminishes or affects the commitments, duties, and obligations, present, continuing and future, from and after the Closing, of Century-TCI or CAC under the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, or South Whittier Franchises, or any of them, and the County Code. All provisions of the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises remain in full force and effect and are enforceable in accordance with their terms.

3.2 The Companies acknowledge that, nothing in this Agreement either expands or contracts the rights any party may have under 47 U.S.C. § 546(a)-(g).

4. ADDITIONAL CONDITIONS

4.1 It is expressly recognized by the parties that the County's approval of the Proposed Transaction will be effective only upon the adoption of the Transfer Resolution by the Board of Supervisors and the timely performance by the Companies of all conditions established in the Transfer Resolution. The execution of this Agreement will in no way bind the County to approve the Proposed Transaction, and this Agreement and the Adelphia Settlement Agreement will become null and void if the County does not approve the Proposed Transaction.

4.2 If all of the necessary conditions to the County's Approval of the Proposed Transaction are not executed by all the appropriate Companies when required by the Transfer Resolution, then the County's consent to the Proposed Transaction will become voidable upon written notice to all parties to this Agreement, and in such case the Proposed Transaction will be

deemed to have been timely denied on March 7, 2006. In the event that the County's consent to the Proposed Transaction is timely denied, neither the County nor the Companies waive any rights they have under applicable law including, without limitation, any rights or privileges under Title 11 of the United States Code (the "Bankruptcy Code").

4.3 Except as provided in Section 4.2, hereof, the Companies hereby agree that any denial of the Century Change of Control Applications pursuant to Section 2 of the Transfer Resolution satisfies the requirements established by any applicable law including, without limitation, the Cable Communications Policy Act of 1984, 47 U.S.C. § 521 *et seq.*, as amended, the FCC's rules or regulations, the First Amendment of the U.S. Constitution, or any other law or regulation.

4.4 In the event that the County's consent to the Century Change of Control Applications is denied pursuant to Section 2 of the Transfer Resolution, the Companies hereby waive any and all claims that the deemed denial of such consent by operation of this Agreement fails to satisfy the deadlines established by 47 U.S.C. § 537, as amended.

4.5 Pursuant to Section 16.65.025(B) of the County Code, the Companies agree to reimburse the County for the actual and reasonable costs the County has incurred in processing the applications for transfer, not to exceed thirty thousand dollars (\$30,000), within 30 days receipt of an invoice from the County.

5. RATES

5.1 The Companies covenant, promise, warrant and represent that the costs associated with the Proposed Transaction itself will not result in any increase in subscriber rates.

5.2 The Companies agree that no payment, expenditure, or other consideration provided pursuant to or arising from this Agreement shall be treated as a cost arising from a

condition of the Century-TCI Franchises, or any of them, in accordance with 47 C.F.R. § 76.925. The Companies agree that any payment, expenditure, or other consideration provided pursuant to or arising from this Agreement, or any other settlement amounts previously paid by Century-TCI or Adelphia to the County will not be passed through to subscribers on future bills issued after the effective date of this Agreement. This provision shall not be construed to prevent Franchisee from setting unregulated rates at any level, at its discretion, nor to prevent Franchisee from recovering and itemizing any future payments made for franchise fees, utility user taxes or payments for public, education and government access from subscribers to the extent such recovery and itemization is authorized by applicable law.

5.3 The Companies agree that they waive refund of any amount that the Companies or their predecessors may have at one time paid to the County as a franchise fee on cable modem internet and other high speed data service.

5.4 Nothing in this Agreement, the Acceptance, the Guarantee or the Transfer Ordinance shall restrict the authority of the Companies to establish rates in accordance with FCC regulations.

6. DISPUTES REGARDING THIS AGREEMENT

6.1 Any material breach of this Agreement will be deemed a material breach of the Century-TCI Franchises, and will be subject to all remedies available for a breach of the respective franchises. The remedies set forth in this Section will be in addition to, and not exclusive of, any other remedies the County may have under this Agreement, the Century-TCI Franchises, and each of them, the County Code, and at law or equity.

6.2 Any material misrepresentation in the Century Transfer Application shall constitute a material violation of the Century-TCI Franchises, and shall be subject to all the

remedies available to the County under the Century-TCI Franchises, the County Code, and applicable law.

7. REPRESENTATIONS AND WARRANTIES

7.1 Each of the Companies hereby covenant, represent and warrant that at the time of the execution of this Agreement: (a) it is a corporation, partnership or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized; (b) the Century-TCI Franchises, and each of them, and assuming due execution hereof by the other parties hereto, this Agreement constitute legal, valid and binding obligations of the Companies, and each of them, enforceable in accordance with their terms and the County Code; (c) the execution and delivery of, and performance by the Companies, and each of them, under this Agreement and the Century-TCI, and each of them, where applicable, are within each of the Companies' power and authority without the joinder or consent of any other party except to the extent required by the Bankruptcy Code and have been duly authorized by all requisite corporate or partnership action on the part of each and are not in contravention of any of the Companies' partnership agreement, charter, bylaws, and/or other organizational documents; and (d) the execution and delivery of this Agreement and attached documents do not contravene, result in a breach of, or constitute a default under any contract or agreement to which any of them is a party or by which any of them or any of their properties may be bound (nor would such execution and delivery constitute such a default with the passage of time or the giving of notice or both), and do not violate or contravene any law, order, decree, rule, regulation or restriction to which any of them is subject.

7.2 CCH covenants, represents and warrants that the Proposed Transaction will not adversely affect the financial position of Century-TCI, or limit the funds available to Century-TCI.

7.3 CCH agrees that, from and after the consummation of the Proposed Transaction, it will not take any action which will cause Century-TCI to fail to fully comply with the terms of the Adelphia Franchises, this Agreement, the County Code and applicable law. To the extent that any provisions of any document associated with the Proposed Transaction, or any other contract, conflicts with the Century-TCI Franchises, or any of them, subject to applicable law, this Agreement, the County Code, or applicable federal, state or local laws, the parties agree that any such provision will be of no force or effect as between any of the Companies and the County.

7.4 The Companies acknowledge and agree that the County's consent to the Proposed Transaction is made in reliance upon the covenants, representations, warranties, documents, and information provided by the Companies in connection with the Century Change of Control Application. The Companies will be liable for their own representations and warranties relied upon by the County.

7.5 Each of the Companies agrees to indemnify and hold harmless the County and its officers, employees and agents against any loss, claim, damage, liability or expense (including, without limitation, all associated costs and expenses) caused directly or indirectly by any representation or warranty made by it which proves to be untrue, incomplete or inaccurate in any material respect.

8. MISCELLANEOUS PROVISIONS

8.1 Effective Date: If all the conditions precedent to the effectiveness of this Agreement occur, the effective date of this Agreement shall be the date of execution by all parties.

8.2 Entire Agreement: This Agreement, together with the Adelphia Settlement Agreement, constitute the entire agreement and understanding of the parties with respect to the

Century Change of Control Applications, the settlement of the issues identified in the Adelphia Settlement Agreement, the settlement of the issues identified in Section 4 of this Agreement related to compliance by the Comcast Subsidiaries with the Comcast Franchises, and the County's consent to the Proposed Transaction. No statements, promises or inducements inconsistent with this Agreement made by any party will be valid or binding, unless in writing and executed by all parties. This Agreement may only be modified by written amendments signed by all parties hereto.

8.3 Binding Acceptance: This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns. Any purported assignment of this Agreement is void without the express written consent of each signatory.

8.4 Voluntary Agreement: This Agreement is freely and voluntarily given by each party, without any duress or coercion, and after each party has consulted with its counsel. Each party has carefully and completely read all of the terms and provisions of this Agreement.

8.5 Counterparts: This Agreement may be executed in several counterparts, each of which when so executed will be deemed to be an original copy, and all of which together will constitute one agreement binding upon all parties hereto, notwithstanding that all parties will not have signed the same counterpart.

8.6 Governing Law: This Agreement will be governed in all respects by the law of the State of California and applicable federal law.

8.7 Time is of Essence: In determining whether a party has complied with any term, condition or provision of this Agreement, the parties agree and understand that time is of the essence.

8.8 Captions and References: The captions and headings of sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions will not affect the meaning or interpretation of this Agreement.

8.9 Severability: If any term, condition, or provision of this Agreement, other than Section 4.1 shall, to any extent, be held to be invalid, preempted, or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective.

AGREED TO THIS ____ DAY OF MARCH, 2006

County of Los Angeles, California

By:_____

APPROVED AS TO FORM:
RAYMOND G. FORTNER JR.
County Counsel

By:_____
Deputy

Century-TCI California, L.P

By:_____
[title]

Adelphia Communications Corporation

By: _____
[title]

Comcast Cable Holdings, LLC

By: _____
[title]

CAC Exchange I, LLC

By: _____
[title]

EXHIBIT A

TRANSFER RESOLUTION

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND CONSENTING, SUBJECT TO CERTAIN
CONDITIONS, TO THE TRANSFER OF CONTROL OF CENTURY-TCI
CALIFORNIA, L.P., WHICH OPERATES CABLE SYSTEMS IN THE AGOURA,
GLENDDORA, HACIENDA HEIGHTS, LA HABRA HEIGHTS, MARINA DEL REY,
ROWLAND HEIGHTS, AND SOUTH WHITTIER AREAS OF THE COUNTY,
FROM ADELPHIA COMMUNICATIONS CORPORATION
TO COMCAST CABLE HOLDINGS, LLC**

WHEREAS, Century-TCI California, L.P. (“Century-TCI”), which is jointly owned by Century-TCI California Communications, L.P. and Century-TCI Holdings, LLC, and affiliated with Adelphia Communications Corporation (“Adelphia”), owns, operates and maintains cable television systems in the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier unincorporated areas of the County, and is providing services in those areas under the terms and conditions of County franchises granted by Ordinance Numbers 90-0150F, 89-0146F, 82-0117F, 86-0113F, 83-0205F, 97-0046F, and 83-0087F, respectively (as amended) (such ordinances and all subsequent ordinances relating thereto shall be referred to collectively as the “Century-TCI Franchises”); and

WHEREAS, the County and Century-TCI have agreed to settle claims arising from the performance by Century-TCI under the terms and conditions of the Century-TCI Franchises pursuant to the terms and conditions of a Settlement and Release Agreement (the “Adelphia Settlement Agreement”); and

WHEREAS, Adelphia and Comcast Corporation (“Comcast”) have entered into an “Asset Purchase Agreement” dated April 20, 2005 (the “Purchase Agreement”), pursuant to which Comcast Cable Holdings, LLC (“CCH”), a subsidiary of Comcast, will purchase Adelphia’s partnership interest in Century-TCI (the “Proposed Transaction”); and

WHEREAS, Comcast and Time Warner Cable Inc. (“Time Warner Cable”) and other parties named therein, have entered into an “Exchange Agreement” dated April 20, 2005 (the “Exchange Agreement”), pursuant to which Comcast will cause Century-TCI to assign its assets, including the Century-TCI Franchises to CAC Exchange I, LLC (“CAC”), which will become a wholly-owned subsidiary of Century-TCI, and forthwith to transfer 100% of the outstanding equity securities of CAC to Time Warner Cable (the “Exchange Transaction”); and

WHEREAS, on June 14, 2005, Time Warner Cable submitted to the County on behalf of Century-TCI, Adelphia, Comcast, and CCH, materials including Federal Communications Commission (“FCC”) Forms 394 dated June 10, 2005, requesting that the County approve the transaction transferring control of Century-TCI from Adelphia to CCH (the “Century Change of Control Applications”); and

WHEREAS, in the materials filed with the County on June 14, 2005, Comcast represented that an internal transaction, for which Comcast did not request County approval, would result in the assignment of the assets of Century-TCI, including the Century-TCI Franchises from Century-TCI to CAC, but that this internal assignment would only occur immediately prior to, and for the sole purpose of, consummating the Exchange Transaction; and

WHEREAS, on June 14, 2005, Time Warner Cable also submitted to the County on behalf of Century-TCI, Time Warner Cable, Comcast, and CAC, materials including FCC Forms 394 dated June 10, 2005 requesting that the County approve the transaction transferring 100% ownership and control of CAC (whose assets will at this point include the Century-TCI Franchises) from Century-TCI to Time Warner Cable (the “Comcast-Time Warner Transfer Applications”); and

WHEREAS, the Proposed Transaction will result in a transfer of control of Century-TCI which is subject to the County's approval under the terms and conditions of the Century-TCI Franchises and the County Code; and

WHEREAS, Comcast has represented that the Exchange Transaction should close contemporaneous with the Proposed Transaction, but acknowledges the possibility of a delay in the closing of the Exchange Transaction which could result in Comcast owning and controlling Century-TCI for a significant period; and

WHEREAS, CCH agrees, from and after closing of the Proposed Transaction, to accept control over Century-TCI serving the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier unincorporated areas, and accepts, acknowledges, and agrees that it and Century-TCI and CAC are bound by all the commitments, duties, and obligations, present, continuing and future; of the Century-TCI Franchises and the County Code, and

WHEREAS, Time Warner Cable has agreed to unconditionally guarantee the performance of CAC under the Century-TCI Franchises and the County Code after the close of the Exchange Transaction; and

WHEREAS, CCH agrees to unconditionally guarantee the performance of Century-TCI under the Century-TCI Franchises and the County Code from the close of the Proposed Transaction until such time as the Exchange Transaction closes and Time Warner Cable becomes the guarantor; and

WHEREAS, the County and Comcast have agreed to settle certain claims by the County arising from the performance by the Comcast Subsidiaries under the terms and conditions of the Comcast Franchises and the County Code; and

WHEREAS, at its meeting, duly and regularly held, the Board of Supervisors of the County of Los Angeles, affording due process and opportunity for public participation, hereby finds it in the public interest to grant the transfer of control of Century-TCI and the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises from Adelphia to CCH subject to the terms and conditions set forth herein;

NOW, THEREFORE,

**THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
RESOLVES AS FOLLOWS:**

Section 1. The County consents to the transfer of control of Century-TCI from Adelphia to CCH and the assignment of the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises from Adelphia to CCH from Century-TCI to CAC, subject to the following conditions:

(a) Century-TCI, Adelphia, CCH, and CAC shall execute and file with the County a Change of Control Agreement in the form and substance acceptable to the Director of the Department of Consumer Affairs (the “Director”), the County Counsel and the Companies no later than March 7, 2006.

(b) Comcast shall execute and file with the County a Settlement Agreement in the form and substance acceptable to the Director, the County Counsel, and Comcast, no later than March 7, 2006, and within 10 days after adoption of this Resolution, Comcast shall remit to the County all payments required under the Settlement Agreement.

(c) If the Exchange Transaction does not close contemporaneous to the Proposed Transaction, CCH, as guarantor, shall file with the County a Guarantee of Century-TCI’s performance under the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises in the form and substance acceptable to the Director, County Counsel, and CCH, executed by CCH and certified and sworn as to the

legally binding act of CCH, no later than ten (10) days after the close of the Proposed Transaction.

(d) CAC shall file with the County an Acceptance of the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises in the form and substance acceptable to the Director, County Counsel, and CAC, executed by CAC and certified and sworn as to the legally binding act of CAC, no later than March 7, 2006.

(e) The Proposed Transaction shall be consummated no later than August 31, 2006 on the terms and conditions that are not in any material respect different from those described in the Century Change of Control Applications and other related materials provided to the County, this Resolution, and the Change of Control Agreement.

(f) Adelphia shall execute and file the Adelphia Settlement Agreement, in the form and substance acceptable to the Director, and the County Counsel, and Adelphia, no later than March 7, 2006.

(g) The Adelphia Settlement Agreement must be approved by the Bankruptcy Court no later than May 12, 2006.

Section 2. If any of the conditions specified in Section 1 hereof are not both agreed to and timely satisfied, then the County's consent to the transfer of control of Century-TCI from Adelphia to CCH and assignment of Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier Franchises from Century-TCI to CAC shall be voidable by the County and deemed denied as of March 7, 2006, in its sole discretion, upon written notice to Adelphia and CCH in accordance with the terms of the Change of Control Agreement.

Section 3. Any material misrepresentation in the Century Change of Control Applications shall constitute a material violation of the Century-TCI Franchises, and each of them, and the County Code, subject to all the remedies available to the County.

Section 4. The Director is authorized to execute the Change of Control Agreement on behalf of the County.

Section 5. The Director is authorized to execute the Adelphia Settlement Agreement on behalf of the County.

Section 6. This Resolution is a final decision on the Century Change of Control Applications within the meaning of 47 U.S.C. § 537, and for these purposes the Century Change of Control Applications are deemed acted upon when this Resolution is adopted by the Board.

I hereby certify that the foregoing Resolution was adopted at the meeting of the Board of Supervisors of the County of Los Angeles on _____, 2006.

COUNTY CLERK

By: _____

Approved _____

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy

EXHIBIT B

ACCEPTANCE OF FRANCHISE BY COMCAST CABLE HOLDINGS

Comcast Cable Holdings LLC, (“CCH”) a Delaware Limited Liability Company which is wholly-owned by Comcast Corporation, a Pennsylvania Corporation, hereby accepts, as of the closing of the proposed transaction approved by Resolution No. _____, (the ”Closing”), control of Century-TCI, and the County franchise granted under the terms and conditions of Ordinance No. 90-0150F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “Agoura Franchise”); the County franchise granted under the terms and conditions of Ordinance No. 89-0146F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “Glendora Franchise”); the County franchise granted under the terms and conditions of Ordinance No. 82-0117F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “Hacienda Heights Franchise”); the County franchise granted under the terms and conditions of Ordinance No. 86-0113F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “La Habra Heights Franchise”); the County franchise granted under the terms and conditions of Ordinance No. 83-0205F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “Marina del Rey Franchise”); the County franchise granted under the terms and conditions of Ordinance No. 97-0046F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “Rowland Heights Franchise”); and the County franchise granted under the terms and conditions of Ordinance No. 83-0087F, as amended (such ordinance and all subsequent ordinances relating thereto shall be referred to collectively as the “South Whittier Franchise”).

By accepting control of Century-TCI and the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, CCH further: (1) acknowledges and accepts the County's legal right to issue and enforce the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, under applicable law; (2) agrees that it will not oppose the County's intervention in any proceeding affecting any of the Franchises or obligations thereunder; (3) accepts and agrees that, so long as it is controlled by CCH, Century-TCI will comply with each and every provision of the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, and the County Code, and (4) agrees that the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

CCH declares that it has carefully read all of the terms and conditions of the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, and accepts and agrees that Century-TCI, so long as it is controlled by CCH, will abide by the same, the County Code, and other applicable law.

As of the Closing, CCH is bound to compel Century-TCI to maintain and operate cable systems under the terms, conditions, provisions and limitations set forth in the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the

Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, the County Code, as may be amended from time to time, and other applicable law, including all other applicable and lawful County ordinances, rules and regulations, as amended.

AGREED TO THIS _____ DAY OF _____, 2006.

Comcast Cable Holdings LLC

By: _____

EXHIBIT C

COMCAST HOLDINGS CORPORATION FRANCHISE GUARANTEE

As set forth in the Change of Control Agreement, in the event the Exchange Transaction does not close contemporaneously with the Proposed Transaction, Comcast Holdings Corporation (“CHC”), a Pennsylvania corporation, provides this Franchise Guarantee (the “Guarantee”) assuring compliance by Century-TCI with all the obligations of the Agoura Franchise, the Glendora Franchise, the Hacienda Heights Franchise, the La Habra Heights Franchise, the Marina del Rey Franchise, the Rowland Heights Franchise, and the South Whittier Franchise, and each of them, and the County Code, as may be amended from time to time, from and after the Proposed Transaction closing and until such time as Comcast Cable Holdings, LLC (CCH) no longer controls Century-TCI or Century-TCI no longer holds the franchises in the Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier unincorporated areas of the County.

From and after the closing of the Proposed Transaction, CHC hereby unconditionally and irrevocably guarantees the timely and complete performance of all Franchisee obligations under the Franchise and the County Code. If Franchisee fails to pay any of its monetary obligations in full when due in accordance with the terms of the Franchise, CHC will promptly cause the Franchisee to pay the same or will make such payment directly to the County. Anything herein to the contrary notwithstanding, CHC shall be entitled to assert as a defense hereunder any defense that is or would be available to Franchisee under the Franchise or otherwise.

This Guarantee shall terminate with either the closing of the Exchange Transaction or at such other time as CCH no longer controls Century-TCI in Agoura, Glendora, Hacienda Heights, La Habra Heights, Marina del Rey, Rowland Heights, and South Whittier unincorporated areas of the County.

EXECUTED as of _____

COMCAST HOLDINGS CORPORATION

By: _____

Name:

Title:

Address:

1500 Market Street, 35th Floor
Philadelphia, PA 19102
Attention: General Counsel